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Diana T Fritz 05/24/2007 04:28:21 PM From DB/Inbox: Search Results

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SIPDIS
TELEGRAM

April 21, 2003

To: No Action Addressee
Action: Unknown
From: AMEMBASSY ABU DHABI (ABU DHABI 1904 - UNKNOWN)
TAGS: EFIN, PTER, ETTT, ECON
Captions: None
Subject: UAE MEASURES TO MONITOR OUTBOUND FINANCIAL TRANSFERS BY CHARITIES
Ref: None

C O N F I D E N T I A L ABU DHABI 01904

SIPDIS
Laser1:
INFO: FCS
CXABU:
ACTION: ECON
INFO: P/M AMB DCM POL

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: AMB:MMWAHBA
DRAFTED: ECON:TEWILLIAMS
CLEARED: DCM:RAALBRIGHT

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OO RUEHC RUEHZM RUEATRS
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O 211233Z APR 03
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9516
INFO RUEHZM/GCC COLLECTIVE PRIORITY
RUEATRS/TREASURY DEPT WASHDC

C O N F I D E N T I A L ABU DHABI 001904

SIPDIS

STATE FOR EB, NEA/ARP - JONES AND HEFFERNAN, NEA/RA
-PSUTPHIN, EB/ESC/ESP -GGLASS, S/CT - CBLACK AND
FOX, AND IO/PHO -APEREZ

TREASURY FOR OGC - DAUFHAUSER, DAS FOR TERRORISM
AND VIOLENT CRIMES (JZARATE), AND TERRORIST
FINANCING TASK FORCE
TREASURY PASS OFAC FOR NEWCOMB

E.O. 12958: DECL: 04/21/13
TAGS: [EFIN](#) [PTER](#) [ETTC](#) [ECON](#) [TC](#)
SUBJECT: UAE MEASURES TO MONITOR OUTBOUND FINANCIAL
TRANSFERS BY CHARITIES

1. (U) CLASSIFIED BY DCM RICHARD A. ALBRIGHT FOR
REASONS 1.5 (B,D).

2. (C) DCM called 4/21 on UAE Minister of Labor
and Social Affairs Matar Al-Tayer to discuss

oversight of charities (other topics septel). Al-Tayer confirmed that subsequent to discussions last year with Treasury Enforcement DAS Zarate (reftel), the UAE had mandated that all licensed charities here interested in transferring funds overseas must do so via one of three umbrella organizations: The Red Crescent Authority, the Zayed Charitable Foundation, or the Muhammad Bin Rashid Charitable Trust. These three quasi-governmental bodies were properly managed, Al-Tayer observed, and in a position to ensure that overseas financial transfers went to legitimate parties. As an additional step, the UAEG had contacted the governments in numerous aid receiving countries to compile a list of recognized, acceptable recipients for UAE charitable assistance. Al-Tayer added that these transfers all take place via banks. The Minister noted that, in keeping with the times, UAE charities are now much more sensitive to the need to ensure adequate accountability; the days of aid being delivered via suitcases full of cash are "well and truly over."

13. (C) Auditing the books of charities -- a key desire of the government -- is still a work in progress, the Minister noted. The UAEG had originally proposed last year that all charities hire independent outside auditors and submit to the Ministry certified annual reports on their financial activities. But questions had then been raised as to who would pay for these audits, whether the charities could use zakat (required religious tithes) for this purpose, etc. The government, as a compromise measure, had then suggested that charities submit their books to the state auditing authorities, but the state auditors themselves had rejected this idea citing overwork and an inability to conduct spot audits. The government was now considering funding private audits of charities -- to include possible governmental spot-checks -- and expected to have this matter resolved shortly.

14. (C) COMMENT: As the foregoing makes clear, the UAEG is fully aware of the importance of ensuring adequate oversight of outbound financial transfers by charities. The current requirement to funnel funds through well-run, quasi-governmental umbrella organizations is a prudent temporary measure, but the best long-term solution is to establish formal audit requirements -- something that should transpire later this year.

Wahba